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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS GARVEY TO INTERROGATORIES OF
DAVID B. POPKIN
(DBP/USPS-T1-1-11)

The United States Postal Service hereby provides responses of witness Garvey to the following interrogatories of David B. Popkin: DBP/USPS-T1-1-11, filed on July 30, 1998.

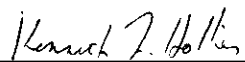
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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August 7, 1998



**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-T1-1. With respect to the commercial print sites that will be employed in this service,

- a. Will the originator be able to choose the specific printer or printers to utilize for their mailing?
- b. Can this choice be made on the basis of cost and/or location with respect to the destination of the mail?
- c. Will all of the printers be able to provide the same service?
- d. Explain any negative answers.

RESPONSE:

a-b, d. No. See USPS-T-1 at 2.

c. Yes.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-T1-2. On page 3 – lines 2 and 3 – you indicate that mailing lists can be submitted in four standard PC formats.

- a. What are these formats?
- b. Is dBase an acceptable format?
- c. If not, will it be available?

RESPONSE:

- a. The four standard PC formats for mailing lists are Excel, Access, Word Processing Table, and ASCII Tab Delimited Format.
- b. No, dBase is not an acceptable format at this time.
- c. There are no current plans to include dBase, although this does not mean it definitely will not become an acceptable format.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-3. Regarding the expanded test schedule for September 1, 1998,

- a. Elaborate on the specific areas covered by the New York, Boston, and Philadelphia metropolitan areas.
- b. Will I, as well as any other individual mailers in Northern New Jersey, be able to utilize the service?
- c. What criteria will be required for participants in this service?
- d. Confirm that access to the Postal Service's website may be made from anywhere in the world.
- e. Confirm that the Postal Service will not be able to determine the physical location of a mailer logging on the website.
- f. If I am an "authorized" mailer in New Jersey, will I be able to access the system from my brother's computer in Oregon?
- g. Why is there a restriction as to who can participate in the service?
- h. If there are restrictions, explain why you feel that it would not be discriminatory.
- i. Fully explain any negative responses.

RESPONSE:

- a. Please note that the market test has been rescheduled to begin October 1, 1998. We anticipate being able to file a list of the specific 3-digit ZIP Code areas that will be part of the market test in advance of the pre-hearing conference scheduled for August 14, 1998.
- b. In the initial stages, potential users of the service must be within the first 5,000 people to enter and pass the screening test. With those criteria satisfied, a user has access to the service.
- c. For the screening test, the potential user must be able to answer "yes" to all questions in the following series:
 - Are you located within the selected test site areas? Are you part of a small business?

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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- Do you have a PC with Windows95 or NT and a modem of at least 28.8 kilobytes per second?
 - Do you have access to Internet Explorer or Netscape 3.0 or higher?
 - Are you willing to use a credit card to purchase services?
 - Are you willing to consider using Priority Mail or Express Mail from the US Postal Service, OR, do you plan to conduct a mailing to multiple recipients in the next month?
- d. The website may be accessed from anywhere in the world, but mailings must originate within one of the test site areas and must destinate within the United States.
- e. Confirmed.
- f. Yes.
- g. The market test system is scaled to handle only 5,000 users.
- h. The only restriction is based on physical capability to use the service, as the questions for the screening test show. That is, if the user does not meet the appropriate geographical, demographic, and technological requirements for the service to function properly, as listed in my response to part (c), and if the user does not intend actually to use the service's provisions, then it is impossible for the user to obtain said service. During the initial phase of service, however, all qualified users are accepted on a first-come, first-served basis – a non-discriminatory approach.
- i. Negative responses have been explained in the answers provided above.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-4 On page (9), lines (8) and (9), you indicate that time-specific mail entry will be available and a major advantage of the program.

- a. Will a customer be able to access the Postal Service URL 24 hours a day, seven days a week?
- b. If not, list the available times.
- c. Will a customer be able to specify a date in the future for the mailing to take place?
- d. How far in advance will be permitted?

RESPONSE:

- a. Yes.
- b. Not applicable.
- c. Not for the market test, although it is possible such a feature could be tested during the experiment.
- d. Unknown.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-5

- a. How fast will it be possible to have a mailing be processed from the time of placing it on the Postal Service's website until the time that it is deposited into the postal mail-processing facility?
- b. Will it be possible to submit a mailing and have it processed the same date?
- c. If so, what do you contemplate would be the cut-off time?
- d. If not, do you expect that it will be possible to do so in the future?

RESPONSE:

- a. Every day at 2:00 PM, print sites receive compiled instructions from San Mateo as to printing and producing the appropriate documents. The finished pieces must be delivered from the print site to each acceptance facility by the latter's cut-off time the following day. At that point, the documents are entered as mail delivered in accordance with regular service standards. Cut-off times thus will vary by acceptance facility. Because of multiple variables affecting the process (which include internet traffic, the time the customer's document arrives at the postal Web server, the acceptance facility's closing time, etc.), no commitment regarding speed of entry between submission of the mailing and its entry can be made.
- b. It is theoretically possible that same-day submission and processing could occur, but this will not be called for by the contract.
- c. Please see answer (a).
- d. It is possible that a speedier service could become available.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-6

- a. Will the envelope be able to show the mailer's return address?
- b. If not, will any return address be utilized?
- c. If a "centralized" return address is utilized, will any undeliverable mail be promptly returned to the mailer?
- d. If not, explain.
- e. What method will be utilized to indicate that the postage has been paid?
- f. If it is a permit imprint, provide the wording that is presently utilized as well as any proposed change

RESPONSE:

- a. Yes.
- b-d. Not applicable.
- e. Permit imprint will be used. Please see USPS-T-1, page 2.
- f. The imprint on the top right-hand corner has the four following lines: the appropriate mail class (i.e., First Class, Standard Class); U.S. Postage Paid; Mailed from ZIP Code XXXXX; Permit No. XXX.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-7

- a. Will any of the various address correction services be available for use?
- b. If not, explain why not.

RESPONSE:

- a-b. In light of the ambitious technical scope planned for market test and experimental Mailing Online service, optional address correction services are not planned for inclusion.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-8

- a. Will a mailer be able to utilize card stock of the proper dimensions and characteristics so as to qualify for the post card rate?
- b. If not, explain why not.
- c. If not, was this option evaluated prior to filing the rate case and what were the reasons for not adopting it?

RESPONSE:

- a-c. Currently, no. Card stock is expected to be part of the experimental phase, which will begin early in 1999, but not part of the market test, which starts on October 1, 1998. Due to the current system design, only 20 lb. xerographic bond in 8.5x11, 8.5x14, and 11x17 sizes will be available.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
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DBP/USPS-T1-9

- a. Confirm that the mailer will not have to pay any permit imprint fee or presort fee and that the only postal charge will be for the postage on the letter itself.
- b. Confirm that once the expanded test starts on September 1, 1998, all mailers, both the present customers as well as the new customers, will pay the discounted postage rates plus the paper/printing/envelope/inserting costs.
- c. Confirm that this will be a change for the existing customers who are only paying the regular postage rate and for none of the processing/printing costs.
- d. What is the present discounted First-Class postage rate for the first ounce and what will the rate be after January 10, 1999?
- e. Fully explain any negative answers.

RESPONSE:

- a. Confirmed.
- b. Substantially confirmed. However, the fee for pre-mail services will be a mark-up of the contract cost with the printer, rather than the printer's own costs.
- c. Confirmed that customers in the operations test pay single piece First-Class postage but no fee for pre-mail services.
- d. For First-Class automation, basic letters, the rate under the current rate and classification schedule is \$0.261. After January 10, 1999, the rate will be \$0.27.
- e. Not applicable.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-T1-10 Regarding the privacy of the contents of First-Class Mail and the names and addresses of the mail recipients,

- a. To what extent will the contents of the mailing be available to or capable of access by employees of the postal service?
- b. Same as [a], except by employees of outside vendors?
- c. Please provide copies of the appropriate sections of the contract which indicate the requirement to ensure proper privacy.
- d. Same as [a] through [c], except with respect to the names and addresses of the recipients.

RESPONSE:

- a. While it may be technically possible for a postal employee to view a given job or address list from the Web server, this would occur only under extraordinary circumstances. In any event, once entered as mail, a piece could be reviewed on the same basis as any other piece. The Postal Service has very specific security requirements, all of which will be followed by employees handling Mailing Online items.
- b-c. The same security requirements imposed on postal employees are also applied to contractors and subcontractors; everyone (USPS or otherwise) involved in the printing, production, and distribution of items of the Mailing Online service will also be subject to those regulations. See USPS-LR-5/MC98-1 at 11, 21-26, 28-30, and 47-51.
- d. See the responses to Parts (a) through (c), above.

**RESPONSE OF POSTAL SERVICE WITNESS GARVEY
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-T1-11 Witness Campanelli indicated that the Postal Service will clean his address lists.

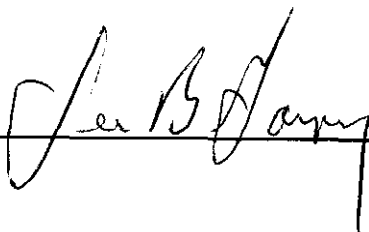
- a. What items are checked to delete or change an address which is supplied?
- b. What charges, if any, exist for the provision of this service?
- c. Is this service optional?
- d. Is the deletion of addresses made before or after the count used determine the printing and postage charges for a given mailing?
- e. If after, can credit be obtained for the non-incurred charges?
- f. If not, why not? Note: If there is any difference in the responses with respect to different phases of operation, please specify and elaborate.

RESPONSE:

- a. The items that are checked include the street address, city, state, and ZIP Code.
- b. None.
- c. No.
- d. The deletion of addresses is made before the count used to determine the printing and postage charges for a given mailing.
- e-f. Not applicable.

DECLARATION

I, Lee Garvey, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

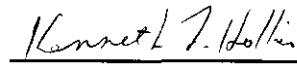


A handwritten signature in cursive script, reading "Lee B. Garvey", is written over a horizontal line.

Dated: 8/7/98

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Kenneth N. Hollies

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August 7, 1998